

**REPORT TO THE CITY COUNCIL****DATE ISSUED:** October 30, 2008**REPORT NO:** CCR 08-008**ATTENTION:** Council President and City Council  
For the Agenda of December 2, 2008**002301****SUBJECT:** Application for State of California Local Housing Trust Fund Program Funding  
(Citywide)

**REQUESTED ACTION:** Authorize the San Diego Housing Commission (the Commission) to apply for funding under the State of California's Housing Trust Fund Program, and execute agreements and related documents.

**STAFF RECOMMENDATION:** Authorize the President & Chief Executive Officer of the Commission or designee to apply for up to \$2 million in funding from the State of California's Housing Trust Fund Program, execute agreements and related documents, and amend the FY2009 budget to reflect any award of funding.

**SUMMARY:** On October 28, 2008 the California Department of Housing and Community Development's Local Housing Trust Fund Program (the program) released a Notice of Funding Availability (NOFA) for Matching Grants for Local Entities Bringing Investments and Innovation to Affordable Housing. The program was created by AB 1891 and is funded under the Housing and Emergency Shelter Trust Fund Act of 2006 (Proposition 1C). The application deadline is February 18, 2009 and awards will be announced starting in April 2009.

State matching funds must be used for loans for development of rental housing projects with units restricted for at least 55 years to households earning less than sixty percent of area median income (AMI) (\$47,400 for a family of four), or for downpayment assistance to qualified first-time homebuyers. At least thirty percent of the total amount of the program funds and matching funds shall be expended on projects that are affordable to and restricted for extremely low-income households (up to thirty percent of AMI, or \$23,700 for a family of four). An AMI table is attached.

It should be noted that use of the funds would also have to comply with local Housing Trust Fund (HTF) program rules. For example, in any fiscal year, not more than ten percent of the local HTF program funds can be spent on homebuyer assistance to median-income households.

**FISCAL CONSIDERATIONS:** Should the City of San Diego's application be successful, between \$1 million and \$2 million in matching State grant funds would be available for downpayment assistance to first-time homebuyers and development of affordable housing projects funded by the City's Housing Trust Fund. Local matching funds are available at this time. Funds must be committed within thirty six months of receipt.

**PREVIOUS COUNCIL and/or COMMITTEE ACTION:** In November 2003 the City Council unanimously authorized an application for \$2 million in funding under the program's previous NOFA. The City of San Diego was awarded \$2 million, and all funds have been expended. The funds assisted

October 30, 2008

Application for State of California Local Housing Trust Fund Program Funding

Page 2

002302

two special purpose rental housing projects with a total of 38 rental units and a 112-bed special purpose housing project.

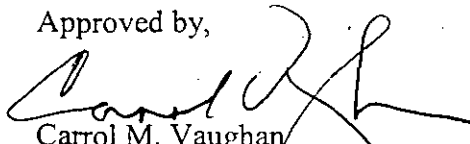
**KEY STAKEHOLDERS & PROJECTED IMPACTS:** Extremely low-income to moderate-income residents of the City of San Diego.

Respectfully submitted,



Cissy Fisher *For Cissy Fisher*  
Director, Housing Finance

Approved by,



Carrol M. Vaughan  
Executive Vice President &  
Chief Operating Officer

Attachments: 1. Housing Commission Report No. HCR08-129  
2. AMI table

Distribution of these attachments may be limited. Copies available for review during business hours at the Office of the City Clerk, 202 C Street, San Diego, CA 92101.

**REPORT****DATE ISSUED:** October 30, 2008**REPORT NO:** HCR 08-129**ATTENTION:** Chair and Members of the Housing Commission  
For the Agenda of November 21, 2008**002303****SUBJECT:** Application for State of California Local Housing Trust Fund Program Funding  
(Citywide)

**REQUESTED ACTION:** Recommend that the City Council authorize the Commission to apply for funding under the State of California's Housing Trust Fund Program, and execute agreements and related documents.

**STAFF RECOMMENDATION:** Authorize the President & Chief Executive Officer of the Commission or designee to apply for up to \$2 million in funding from the State of California's Housing Trust Fund Program, execute agreements and related documents, and amend the FY2009 budget to reflect any award of funding.

**BACKGROUND:** On October 28, 2008 the California Department of Housing and Community Development's Local Housing Trust Fund Program (the program) released a Notice of Funding Availability (NOFA) for Matching Grants for Local Entities Bringing Investments and Innovation to Affordable Housing. The program was created by AB 1891 and is funded under the Housing and Emergency Shelter Trust Fund Act of 2006 (Proposition 1C). The application deadline is January 15, 2009 and awards will be announced before March 2009.

State matching funds must be used for loans for development of rental housing projects with units restricted for at least 55 years to households earning less than sixty percent of area median income (AMI) (\$47,400 for a family of four), or for downpayment assistance to qualified first-time homebuyers. At least thirty percent of the total amount of the program funds and matching funds shall be expended on projects that are affordable to and restricted for extremely low-income households (up to thirty percent of AMI, or \$23,700 for a family of four). An AMI table is attached.

It should be noted that use of the funds would also have to comply with local Housing Trust Fund (HTF) program rules. For example, in any fiscal year, not more than ten percent of the local HTF program funds can be spent on homebuyer assistance to median-income households.

**FISCAL CONSIDERATIONS:** Should the City of San Diego's application be successful, between \$1 million and \$2 million in matching State grant funds would be available for downpayment assistance to first-time homebuyers and development of affordable housing projects funded by the City's Housing Trust Fund. Local matching funds are available at this time. Funds must be committed within thirty six months of receipt.

**PREVIOUS COUNCIL and/or COMMITTEE ACTION:** In November 2003 the City Council unanimously authorized an application for \$2 million in funding under the program's previous NOFA. The City of San Diego was awarded \$2 million, and all funds have been expended. The funds assisted

October 30, 2008

Application for State of California Local Housing Trust Fund Program Funding

Page 2

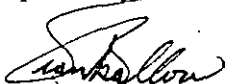
002304

two special purpose rental housing projects with a total of 38 rental units and a 112-bed special purpose housing project.

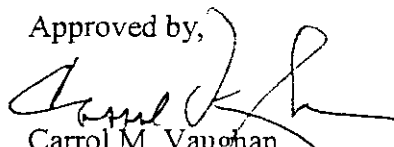
**ENVIRONMENTAL REVIEW:** The application for State funding is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15060 (c)(3) of State CEQA guidelines (the activity is not a project). This activity is also exempt from review under the National Environmental Policy Act (NEPA) as no federal funds are involved.

**KEY STAKEHOLDERS & PROJECTED IMPACTS:** Extremely low-income to moderate-income residents of the City of San Diego.

Respectfully submitted,

  
Cissy Fisher *For Cissy Fisher*  
Director, Housing Finance

Approved by,

  
Carol M. Vaughan  
Executive Vice President &  
Chief Operating Officer

Attachment: AMI Table

Hard copies are available for review during business hours at the Housing Commission offices at 1122 Broadway, San Diego, CA 92101, Main Lobby and at the Office of the City Clerk, 202 C Street, San Diego, CA 92101. You may review complete docket materials on the San Diego Housing Commission website at [www.sdhc.org](http://www.sdhc.org).

# ATTACHMENT 2

002305

U.S. Department of Housing and Urban Development				
2008 San Diego Median Income:				
<b>\$72,100</b>				
Income Limits 80% and Below are Based on HUD Formula Income				
Limits Adjusted for High Housing Cost Area				

Family Size	Extremely Low Income				Very Low Income
	30% Income	35% Income	40% Income	50% Income	
ONE	\$16,600	\$19,350	\$22,100	\$27,650	
TWO	\$18,950	\$22,100	\$25,300	\$31,600	
THREE	\$21,350	\$24,900	\$28,450	\$35,550	
FOUR	\$23,700	\$27,650	\$31,600	\$39,500	
FIVE	\$25,600	\$29,850	\$34,150	\$42,650	
SIX	\$27,500	\$32,050	\$36,650	\$45,800	
SEVEN	\$29,400	\$34,300	\$39,200	\$49,000	
EIGHT	\$31,300	\$36,500	\$41,700	\$52,150	

Family Size					Low Income
	60% Income	65% Income	70% Income	80% Income	
ONE	\$33,180	\$35,950	\$38,700	\$44,250	
TWO	\$37,920	\$41,100	\$44,250	\$50,550	
THREE	\$42,660	\$46,200	\$49,750	\$56,900	
FOUR	\$47,400	\$51,350	\$55,300	\$63,200	
FIVE	\$51,180	\$55,450	\$59,700	\$68,250	
SIX	\$54,960	\$59,550	\$64,150	\$73,300	
SEVEN	\$58,800	\$63,650	\$68,550	\$78,350	
EIGHT	\$62,580	\$67,800	\$73,000	\$83,400	

Family Size	Moderate Income	Moderate Income	Moderate Income	Moderate Income
	90% Income	100% Income	110% Income	120% Income
ONE	\$45,450	\$50,450	\$55,500	\$60,550
TWO	\$51,900	\$57,700	\$63,450	\$69,200
THREE	\$58,400	\$64,900	\$71,350	\$77,850
FOUR	\$64,900	\$72,100	\$79,300	\$86,500
FIVE	\$70,100	\$77,850	\$85,650	\$93,400
SIX	\$75,300	\$83,650	\$92,000	\$100,350
SEVEN	\$80,500	\$89,400	\$98,350	\$107,250
EIGHT	\$85,650	\$95,150	\$104,700	\$114,200

002307		<b>REQUEST FOR COUNCIL ACTION</b> CITY OF SAN DIEGO			1. CERTIFICATE NUMBER (FOR AUDITOR'S USE) 339	
TO: CITY ATTORNEY		2. FROM (ORIGINATING DEPARTMENT): <b>San Diego Housing Commission</b>			3. DATE: 12/02 OCTOBER 29, 2008	
4. SUBJECT: <b>APPLICATION FOR STATE OF CALIFORNIA LOCAL HOUSING TRUST FUND PROGRAM FUNDING</b>						
5. PRIMARY CONTACT (NAME, PHONE, & MAIL STA.) L. WOLF, 619-578-7588, MS 49N		6. SECONDARY CONTACT (NAME, PHONE, & MAIL STA.) C. FISHER, 619-578-7585, MS 49N		7. CHECK BOX IF REPORT TO COUNCIL IS ATTACHED <input checked="" type="checkbox"/>		
<b>8. COMPLETE FOR ACCOUNTING PURPOSES</b>						
FUND					9. ADDITIONAL INFORMATION / ESTIMATED COST:  Costs of City Attorney's Review to be charged to OUSA #346	
DEPT.						
ORGANIZATION						
OBJECT ACCOUNT						
JOB ORDER						
C.I.P. NUMBER						
AMOUNT						
<b>10. ROUTING AND APPROVALS</b>						
ROUTE (#)	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED	ROUTE (#)	APPROVING AUTHORITY	APPROVAL SIGNATURE
1	ORIG. DEPT		11/6/08	8	DEPUTY CHIEF	
2	CARROL VAUGHAN EXECUTIVE VP & COO		11/3/08	9	COO	
3				10	CITY ATTORNEY	
4				11	ORIG. DEPT	
5				DOCKET COORD: _____ COUNCIL LIAISON: _____  <input checked="" type="checkbox"/> COUNCIL PRESIDENT <input type="checkbox"/> SPOB <input type="checkbox"/> CONSENT <input checked="" type="checkbox"/> ADOPTION REFER TO: _____ COUNCIL DATE: 12/2/08		
6						
7						
11. PREPARATION OF: <input checked="" type="checkbox"/> RESOLUTIONS <input type="checkbox"/> ORDINANCE(S) <input type="checkbox"/> AGREEMENT(S) <input type="checkbox"/> DEED(S)						
Authorizing the San Diego Housing Commission to apply for funding under the state of California's Local Housing Trust Fund Program, and to execute agreements and related documents.						
11A. STAFF RECOMMENDATIONS: ADOPT THE RESOLUTION.						
12. SPECIAL CONDITIONS (REFER TO A.R. 3.20 FOR INFORMATION ON COMPLETING THIS SECTION.) <u>COUNCIL DISTRICT(S):</u> CITWIDE  <u>COMMUNITY AREA(S):</u>  <u>ENVIRONMENTAL IMPACT:</u> THE APPLICATION FOR STATE FUNDING IS EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO SECTION 15060(C)(3) OF STATE CEQA GUIDELINES (THE ACTIVITY IS NOT A PROJECT). THIS ACTIVITY IS ALSO EXEMPT FROM REVIEW UNDER THE NATIONAL ENVIRONMENTAL POLICY ACT AS NO FEDERAL FUNDS ARE INVOLVED.  <u>HOUSING IMPACT:</u> POTENTIAL INCREASED FUNDING FOR RENTAL HOUSING DEVELOPMENT AND ASSISTANCE TO FIRST-TIME HOMEBUYERS.  <u>OTHER ISSUES:</u> THIS ITEM WILL BE HEARD BY THE HOUSING COMMISSION ON NOVEMBER 21, 2008.  <u>CITY CLERK INSTRUCTIONS:</u> PLEASE PROVIDE A CERTIFIED COPY OF RESOLUTION, INCLUDING VOTING SHEET, TO LISA WOLF, MS 49N						

002309

RESOLUTION NUMBER R-\_\_\_\_\_

DATE OF FINAL PASSAGE \_\_\_\_\_

A RESOLUTION AUTHORIZING APPLICATION TO THE STATE OF CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR FUNDING OF UP TO \$2,000,000 UNDER THE LOCAL HOUSING TRUST FUND PROGRAM AND AUTHORIZING THE PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE SAN DIEGO HOUSING COMMISSION, OR DESIGNEE, TO EXECUTE ANY AND ALL AGREEMENT(S) AND RELATED DOCUMENTS NECESSARY, IF SELECTED, TO FACILITATE PARTICIPATION IN THE LOCAL HOUSING TRUST FUND PROGRAM.

WHEREAS, the State of California Department of Housing and Community Development [HCD] has issued a Notice of Funding Availability [NOFA] for the Local Housing Trust Fund [LHTF] Program which is funded by the Housing and Emergency Shelter Trust Fund Act of 2006 [Proposition 1C] and requires LHTF Program funds to be used for the purposes set forth in Section 50843.5 of the Health and Safety Code; and

WHEREAS, on April 16, 1990, the City Council adopted Ordinance No. O-17454 (new Series) establishing the San Diego Housing Trust Fund; and

WHEREAS, the Housing Commission administers the San Diego Housing Trust Fund for the City of San Diego; and

WHEREAS, eligible activities under the Housing Trust Fund Program Annual Plan, which is approved annually by City Council, include but are not limited to rental housing development and assistance to first-time homebuyers; and

WHEREAS, on November 3, 2003, by Resolution Number R-298562, the City of San Diego City Council delegated responsibility to the San Diego Housing Commission's President and Chief Executive Officer [President & CEO] (formerly CEO) or designee to make application to HCD to participate in the LHTF Program and to administer the LHTF Program on behalf of the City of San Diego; and

WHEREAS, the City of San Diego wishes to submit an application to HCD for an allocation of LHTF Program funds of up to \$2,000,000, as outlined in City Council Report No. CCR-08-008; NOW, THEREFORE,

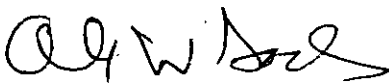
BE IT RESOLVED, by the Council of the City of San Diego, as follows:

1. That the City of San Diego hereby designates the San Diego Housing Commission's [Commission] President & CEO or designee to make application to HCD for an allocation of up to \$2,000,000 for City participation in the LHTF Program.
2. That the President & CEO or designee is directed to submit to HCD an application to participate in the LHTF Program in response to the NOFA issued October 24, 2008, and any subsequent NOFA's issued, and to request a funding allocation for affordable housing activities in the City of San Diego that are in accordance with the Housing Trust Fund and the LHTF Program.
3. That if the application for funding is approved by HCD, the City of San Diego shall use the LHTF Program funds for eligible activities in the manner presented in the application as approved by HCD and in accordance with program guidelines.
4. That the Commission is hereby authorized to accept and administer LHTF funds on behalf of the City.



5. That the President & CEO or designee is authorized to execute in the name of the City of San Diego, the application, the Agreement, and all other documents required by HCD for participation in the LHTF Program, and any amendments thereto.

APPROVED: MICHAEL J. AGUIRRE, General Counsel

By   
Alex W. Sachs  
Deputy General Counsel

AWS:mm  
11/19/08  
Or.Dept: San Diego Housing Comm.  
R-2009-689  
MMS#7092

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of \_\_\_\_\_.

ELIZABETH S. MALAND  
City Clerk

By \_\_\_\_\_  
Deputy City Clerk

Approved: \_\_\_\_\_  
(date)

\_\_\_\_\_  
JERRY SANDERS, Mayor

Vetoed: \_\_\_\_\_  
(date)

\_\_\_\_\_  
JERRY SANDERS, Mayor